

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 57th LEGISLATURE - REGULAR SESSION COMMITTEE ON APPROPRIATIONS

Call to Order: By **CHAIRMAN STEVE VICK**, on March 1, 2001 at 8:00 A.M., in Room 102 Capitol.

ROLL CALL

Members Present:

Rep. Steve Vick, Chairman (R)
Rep. Dave Lewis, Vice Chairman (R)
Rep. Matt McCann, Vice Chairman (D)
Rep. John Brueggeman (R)
Rep. Rosalie (Rosie) Buzzas (D)
Rep. Tim Callahan (D)
Rep. Edith Clark (R)
Rep. Bob Davies (R)
Rep. Stanley Fisher (R)
Rep. Dick Haines (R)
Rep. Joey Jayne (D)
Rep. Dave Kasten (R)
Rep. Christine Kaufmann (D)
Rep. Monica Lindeen (D)
Rep. Jeff Pattison (R)
Rep. Art Peterson (R)
Rep. Joe Tropila (D)
Rep. John Witt (R)

Members Excused: None.

Members Absent: None.

Staff Present: Paula Broadhurst, Committee Secretary
Taryn Purdy, Legislative Branch

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: HB 273 HB 395 HB 348 HB 307,
2/27/2001

Executive Action:

HEARING ON HB 348

Sponsor: Rep. Jim Shockley, HD 61, Victor

Proponents:

Patrick M. Montalban, Liquor Store Association of Montana;
Jerry Driscoll, Self;
Sen. Debbie Shea, SD 18, Great Falls;
Mark Staples, Montana Tavern Association;
Bob Pavlovich, Self;
Kristi Blazer, Montana Beer and Wine Wholesalers Association,
Shane Farnsworth, President, Liquor Store Association of Montana;
Bea Lunda, Liquor Store Association of Montana;
Jackie Thomas, Self;
Bill Hanna, Self;
Tim Dalin, East Helena Liquor Store Owner;
Mark Kohoutit, Self;
Doug Kirby, Owner, State Liquor Store, Billings;
Tom Brown, Owner, State Liquor Store, Red Lodge;
Dave Berg, Owner, State Liquor Store, Hot Springs

Opponents: None

Opening Statement by Sponsor:

Rep. Jim Shockley, HD 61, Victor introduced HB 348 which would allow liquor store owners to keep more of their profits. He stated they would not have to put this into the general fund.

Proponents' Testimony:

Patrick M. Montalban, Liquor Stores Association of Montana spoke in favor of HB 348 and handed out documentation to the committee. **EXHIBIT (aph47a01)**

Jerry Driscoll, Self, stood in favor of HB 348.

Sen. Debbie Shea, SD 18, Great Falls spoke in favor of HB 348.

Mark Staples, Montana Tavern Association, spoke in favor of HB 348 and noted that any notion that the 3% discount to the taverns is a problem, it is in fact not.

Bob Pavlovich, Self, spoke in favor of HB 348.

Kristi Blazer, Montana Beer and Wine Wholesalers Association, spoke in favor of HB 348.

Shane Farnsworth, President, Liquor Store Association of Montana, spoke in favor of HB 348.

Bea Lunda, Liquor Store Association of Montana, stood in favor of HB 348.

Jackie Thomas, Liquor Store Owner, appeared in favor of HB 348.

Bill Hanna, Self, stood in favor of HB 348.

Tim Dalin, East Helena Liquor Store, spoke in favor of HB 348.

Mark Kohoutit, Self, stood in favor of HB 348.

Doug Kirby, State Liquor Store, Billings, spoke in favor of HB 348.

Tom Brown, Sate Liquor Store, Red Lodge, stood in favor of HB 348.

Dave Berg, State Liquor Store, Hot Springs stood in favor of HB 348.

{Tape : 1; Side : B; Approx. Time Counter : 4.9}

Opponents' Testimony: None.

Questions from Committee Members and Responses:

Rep. Buzzas asked about the Tavern Association percentage going up by 3%.

Mark Staples answered that the original privatization bill was to get rid of liquor stores entirely and have the bars and taverns be the package store themselves. However, he stated the 5% discount they were experiencing wasn't much of an incentive to buy the big lots they were encouraged to do.

Rep. Buzzas asked about the money that is involved and how much does the Tavern Association save in dollars.

Mark Staples answered that he did not know and referred the question to the Department of Revenue.

Rep. Fisher asked about the state having no investment in the liquor at all.

Bea Lunda answered it is true the state has no investment but she said the only exception is special order products have to be paid for when they are brought in.

Rep. Fisher commented on the numbers that Bea Lunda had presented.

Bea Lunda responded that she had not seen the figures he was speaking of.

Rep. Vick asked if, as a liquor store owner, are you allowed to charge whatever you want for your product or is there a cap set by the state.

Shane Farnsworth answered they are allowed to charge whatever they want or whatever the market will bear on walk-in customers or retail sales.

Rep. Vick asked if the commission rate applies to whatever you sell it for or is it based on the wholesale price.

Shane Farnsworth answered that the commission rate is based on what is taken from the warehouse.

Rep. Vick asked if there is a cap on the number of liquor stores a town can have.

Shane Farnsworth answered that there are current rules in place that dictate based on population in cities.

Rep. Buzzas asked for clarification on budget of expenses.

Rep. Buzzas asked about the projected sales increase in the 6 year period.

Bea Lunda answered that she does not project the same kind of increase in revenue.

Rep. Davies made a statement about privatization and a monopoly within the liquor stores.

Patrick Montalban answered that he agrees with Rep. Davies and feels that they should open it up.

{Tape : 1; Side : B; Approx. Time Counter : 23.9}

Closing by Sponsor:

Rep. Shockley closes on HB 348.

HEARING ON HB 395

Sponsor: Rep. Bill Thomas, HD 93, Hobson

Proponents:

Sen. Chris Christieans, SD 23, Great Falls;
Mary McCue, Executive Director, Montana Dental Association;
Dick Crofts, Department Higher Education;
Will Weaver, Dean, MSU College of Technology, Great Falls;
Gayle Roset, D.D.S., Montana Dental Association;
Tim Ryan, Executive Director, High Plains Development, Great Falls;
Jon Metropoulos, Montana Dental Health Association;
Mike Labriola, Great Falls Chamber of Commerce;
April Keith, Student, MSU College of Technology, Great Falls; Debra Kotel, Commissioners of Cascade County;
Steve Yeakel, Montanan Council for Maternal and Child Health; Keith Colbo, Montana Primary Care Association;
Joe Mazurek, City of Great Falls;
Dustin Stewart, Associated Students MSU College of Technology, Great Falls;
Kay Unger, Montana Education Association, Montana Federation of Teachers;
Kay Woloszyn, MSU College of Technology, Great Falls;
Peggy Beltrone, Cascade County Commissioner;
Carmen Perry, Student, MSU College of Technology, Great Falls; Michael Spence, Department of Health and Human Services

Opponents: None

Opening Statement by Sponsor:

Rep. Bill Thomas, HD 93, Hobson opened the hearing on HB 395 stating that Montana is the only state without a dental hygienist school.

Proponents' Testimony:

Sen. Chris Christeans, SD 23, Great Falls spoke in favor of HB 395.

Mary McCue, Executive Director, Montana Dental Association, spoke in favor of HB 395 stating that there is a need for a dental hygiene school in Montana as the need for dental hygienists in the state increases.

Dick Crofts, Department Higher Education, stood in support of HB 395.

Will Weaver, Dean, Montana State University, College of Technology, Great Falls, spoke in favor of HB 395 and submitted information on the dental hygienist program. **EXHIBIT(aph47a02)**

Gayle Roset, D.D.S., Montana Dental Association spoke in favor of HB 395. **EXHIBIT(aph47a03)**

Tim Ryan, Executive Director, High Plains Development, Great Falls, stood in favor of HB 395.

Jon Metropoulos, Montana Dental Health Association, stood in favor of HB 395.

{Tape : 2; Side : A; Approx. Time Counter : 20.4}

Mike Labriola, Great Falls Chamber of Commerce, spoke in favor of HB 395. **EXHIBIT(aph47a04)**

April Keith, Student, MSU College of Technology, spoke in favor of HB 395.

Debra Kotel, Great Falls, appeared in favor of HB 395.

Steve Yeakel, Montana Council for Maternal and Child Health spoke in favor of HB 395.

Keith Colbo, Montana Primary Care Association, spoke in favor of HB 395.

Joe Mazurek, City of Great Falls, stood in favor of HB 395.

Dustin Stewart, Associated Students Montana State University, College of Technology, Great Falls spoke in favor of HB 395.

Kay Unger, Montana Education Association, Montana Federation of Teachers, stood in support of HB 395.

Kay Woloszyn, MSU College of Technology, Great Falls, spoke in favor of HB 395. **EXHIBIT(aph47a05)**

Peggy Beltrone, Cascade County Commissioner, spoke in favor of HB 395.

Carmen Perry, MSU College of Technology, Great Falls, stood in support of HB 395.

Michael Spence, Department of Health and Human Services, spoke in favor of HB 395. **EXHIBIT** (aph47a06)

Opponents' Testimony: None.

Questions from Committee Members and Responses:

Rep. Peterson asked why Carroll College vacated their dental hygienist program and where their graduates went.

Mary McCue answered that the Carroll program was a four year program and it was very expensive.

Rep. McCann asked about the federal dollars they have received and if they can start the program without the state match.

Will Weaver answered that the monies that they have received are from a grant so there is no match required. The monies that they have requested were for the implementation of the program to buy equipment and develop the curriculum and so forth.

Rep. McCann asked what kind of hours do current dental hygienists work across the state of Montana.

Gayle Roset replied that he has a full time hygienist with weekends and holidays off with no shift work and it is somewhat flexible.

Rep. McCann asked about the need for dental hygienists in the state.

Gayle Roset answered that there was a recent survey which indicated that 25% of the dentists in Montana are currently looking for dental hygienists.

Rep. Kaufmann asked the wages of hygienists in other states and why do they believe they will stay in Montana instead of going other places.

Will Weaver answered that the salary averages in Montana rank in the top 3rd of the states so he doesn't think that students would be attracted to other states based on more attractive salaries.

Rep. Kaufmann asked what the difference in training is for a dental assistant vs. dental hygienist and how the two relate.

Will Weaver answered that there are a number of courses that both need to take and some of the equipment will be utilized by both programs. He then referred the question.

Carmen Perry answered that a dental assistant assists the dentist in certain procedures. The dental hygienist is an oral hygiene instructor and deals greatly with periodontal disease, etc. They have their own responsibilities and do not usually work hand in hand with the dentist.

{Tape : 2; Side : B; Approx. Time Counter : 22.6}

Rep. Davies asked why they are not getting more of the positions filled by people from out of state.

Will Weaver answered that he doesn't think there is an over supply of dental hygienists and that may be one reason why.

Closing by Sponsor:

Rep. Bill Thomas closed the hearing on HB 395.

HEARING ON HB 57 AND 273

Sponsor: Rep. Ron Erickson, HD 64, Missoula

Proponents: Deborah Halliday, Home WORD; Ren Essene, Home WORD; Brianna Kirstine, Montana Peoples Action; Kate Choleva, Center for Policy Analysis and Community Change; Tim Davis, Executive Director, Montana Smart Growth Coalition; Roger Halver, Montana Association of Realtors; Steve Yeakel, Montana HRDC Directors Association; Sharon Hoff-Broadway, Montana Catholic Conference; Patty Keebler, Montana AFL-CIO

Opponents: Bruce Sprensol, Administrator, Housing Division; Executive Director, Board of Housing; Lynn Moon, Housing Consultant in Kalispell; Susan Moyer, Community Development Director City of Kalispell

Informational Witness: Sen. Chris Christieans, SD 23, Great Falls

Opening Statement by Sponsor:

Rep. Ron Erickson opened the hearing on HB 57 and HB 273 which would allow a revolving loan account for affordable housing and the two bills work together. **EXHIBIT (aph47a07)**

Proponents' Testimony:

Deborah Halliday, Home WORD, stood in support of both HB 57 and HB 273 stating they have tried to coordinate supporters in the affordable housing community.

Ren Essene, Home WORD spoke in favor of HB 57 and HB 273.
EXHIBIT(aph47a08)

Brianna Kirstine, Montana Peoples Action spoke in favor of the two bills and told the committee why they want to see these projects happen.

Kate Choleva, Center for Policy Analysis and Community Change spoke in favor of HB 273 and about the spending mechanism of the bill which is the TANF money going in.

Tim Davis, Executive Director, Montana Smart Growth Coalition spoke in favor of HB 273 and 57 and the need for affordable housing.

{Tape : 3; Side : A; Approx. Time Counter : 27.1}

Roger Halver, Montana Association of Realtors spoke in favor of HB 273 and HB 57 and pointed out these funds are needed to get the revolving loan account going and the Montana Board of Housing is going to administer the program.

Steve Yeakel, Montana HRDC Directors Association spoke in favor of both HB 273 and 57.

Sharon Hoff-Broadway, Montana Catholic Conference spoke favorably of HB 273 and 57 and stated housing is a high priority for the organization she represents.

Patty Keebler, Montana AFL-CIO stood in favor of both HB 273 and 57 and encouraged the committee to support both of the bills for Montana's working families.

Opponents' Testimony:

Bruce Sprensol, Administrator, Housing Division; Executive Director, Board of Housing spoke as an informational witness on HB 273 but rose in opposition to HB 57. He then distributed his written testimony. **EXHIBIT**(aph47a09) **EXHIBIT**(aph47a10) **EXHIBIT**(aph47a11) **EXHIBIT**(aph47a12) **EXHIBIT**(aph47a13) **EXHIBIT**(aph47a14) **EXHIBIT**(aph47a15)

{Tape : 3; Side : B; Approx. Time Counter : 10.8}

Lynn Moon, Housing Consultant in Kalispell stated that she fully supports the creation of the affordable housing loan account but is opposed to the funding source identified in HB 57. However, she was not familiar with HB 273 and chose not to speak on it.

Susan Moyer, Community Development Director City of Kalispell spoke against HB 57 and its funding source.

Informational Witness:

Sen. Chris Christiaens, SD 23, Great Falls appeared as an informational witness for HB 273 and HB 57 and stated he was on the original Housing Task Force.

Questions from Committee Members and Responses:

Rep. Buzzas asked why using the reserves they cannot fund the current programs they are funding under Section 8.

Bruce Brensol replied that to operate the Helena office along with expenses and contracting field agents within the communities is a little over \$2 million dollars.

Rep. Buzzas asked what the total amount of money is in Section 8 Housing.

Bruce Brensol answered that it is around \$44 million. They get paid an annual fee from HUD to operate the Section 8 Program and that he had mis-spoken that they receive approximately \$1.7 million annually from HUD to operate the program itself. However, that is not sufficient to actually operate the program and have to refer to the reserve account to pay for the additional costs.

Rep. Kaufmann asked about the concept of the revolving loan account.

Rep. Erickson answered that the concept of the loan account is that the money will come back and if it is loaned out on a ten year basis then only one-tenth of it comes back the first year.

Rep. Kaufmann asked if the Section 8 reserves are around \$2.5 million, is it possible for a future legislator to indicate this was too much and it should be given back to Section 8.

Rep. Erickson answered that this is a one time only request.

{Tape : 4; Side : A; Approx. Time Counter : 3.6}

Rep. Kaufmann if HB 57 had the support of the building industry.

Rep. Erickson answered he could not recall.

Rep. Jayne asked about the additional costs to the program.

Bruce Brensol answered that he did not have a specific breakdown but it was anywhere from paying for their contract administrators to go out in the field to finding qualified TANFS which takes a lot of time and travel. He then stated he could get specific numbers at a later date.

Rep. Kasten asked if the eligibility for the revolving loan accounts are the same as Section 8 loans.

Ren Essene answered that administrative rule-making and the Appropriations Committee would decide what level of TANF eligibility would be assigned.

Rep. Kasten commented on the poverty level in rural counties.

Rep. Fisher asked if the houses would be modular and built by the prison system.

Rep. Erickson stated this was a different bill.

Rep. Fisher asked if he supports TANF funding for this program.

Hank Hudson stated that they do support the use of TANF funds for housing purposes for low income people.

Rep. Lewis asked about the line item that was put in HB 2 for housing but asked if it was designated to the trust fund and if there needed to be a change in order for this to work.

Hank Hudson answered that the amendment that the sponsor suggested is not really needed and that he had been waiting for this hearing to receive direction from the legislature as to where to put the money.

Closing by Sponsor:

Rep. Erickson closes on HB 273 and HB 57.

ADJOURNMENT

Adjournment: 11:40 A.M.

REP. STEVE VICK, Chairman

PAULA BROADHURST, Secretary

SV/PB

EXHIBIT (aph47aad)